

**BOROUGH OF DUMONT
STATEMENT OF GENERAL SERIAL BONDS**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2013</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2012</u>	<u>Decreased</u>	<u>Balance, December 31, 2013</u>
			<u>Date</u>	<u>Amount</u>				
General Improvements	6/1/1999	\$ 2,973,000				\$ 403,000	\$ 403,000	
General Improvements	5/1/2003	3,250,000	5/1/2014	580,000	3.25-3.55%			
			5/1/2015	600,000				
			5/1/2016	610,000		1,950,000	160,000	1,790,000
General Improvements	7/15/2010	8,530,000	7/15/14-16	100,000	2.00%			
			7/15/2017	750,000	2.25%			
			7/15/2018	775,000	2.50%			
			7/15/2019	800,000	2.75%			
			7/15/2020	825,000	3.00%			
			7/15/2021	840,000	3.13%			
			7/15/2022	880,000	3.25%			
			7/15/2023	890,000	3.50%			
			7/15/2024	1,075,000	4.00%			
			7/15/2025	1,095,000	4.00%			
						8,330,000	100,000	8,230,000
						<u>\$ 10,683,000</u>	<u>\$ 663,000</u>	<u>\$ 10,020,000</u>

BOROUGH OF DUMONT
SCHEDULE OF PENSION OBLIGATION LEASE PAYABLE

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2012</u>	<u>Decreased</u>	<u>Balance, December 31, 2013</u>
			<u>Leases Outstanding</u>	<u>December 31, 2013</u>				
			<u>Date</u>	<u>Amount</u>				
Refund of Unfunded Pension Obligation	3/1/2003	\$ 958,000			5.25%	\$ 34,000	\$ 34,000	
Refunding - Unfunded Pension Obligation	3/15/2012	882,000	3/15/2014	55,000	0.62%			
			3/15/2015	60,000	0.84%			
			3/15/2016	66,000	1.24%			
			3/15/2017	72,000	1.64%			
			3/15/2018	79,000	2.11%			
			3/15/2019	87,000	2.36%			
			3/15/2020	97,000	2.66%			
			3/15/2021	106,000	2.96%			
			3/15/2022	117,000	3.11%			
			3/15/2023	129,000	3.26%			
						882,000	14,000	\$ 868,000
						\$ 916,000	\$ 48,000	\$ 868,000

BOROUGH OF DUMONT
STATEMENT OF BOND ANTICIPATION NOTES

Ord. No.	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2012	Increased	Decreased	Balance, December 31, 2013
1323	Reconstruction of Pershing.	8/2/2007	6/28/2012 6/26/2013	6/27/2013 6/25/2014	1.20% 1.00%	\$ 124,000 \$	\$ 90,110 \$	\$ 124,000 \$	\$ 90,110 \$
1375/1407	Stormwater Sewer System Improvements	6/26/2013	6/26/2013	6/25/2014	1.00%		368,005		368,005
1393	Various General Improvements	12/22/2009	6/28/2012 6/26/2013	6/27/2013 6/25/2014	1.20% 1.00%	731,100		731,100	695,385
1409	Library and Senior Center Handicap	7/1/2011	6/28/2012 6/26/2013	6/27/2013 6/25/2014	1.20% 1.00%	73,291	73,291		73,291
1416	Park Improvements	7/1/2011	6/28/2012 6/26/2013	6/27/2013 6/25/2014	1.20% 1.00%	174,800	174,800		174,800
1421	Various Capital Improvements	7/1/2011	6/28/2012 6/26/2013	6/27/2013 6/25/2014	1.20% 1.00%	807,500	807,500		807,500
1431	DPW Garage Site Improvements	6/28/12	6/28/2012 6/26/2013	6/27/2013 6/25/2014	1.20% 1.00%	228,000	228,000		228,000
1432	Storm Sewer Improvements - Phase III	6/28/12	6/28/2012 6/26/2013	6/27/2013 6/25/2014	1.20% 1.00%	218,500	218,500		218,500
1434	Various Capital Improvements	6/28/12	6/28/2012 6/26/2013	6/27/2013 6/25/2014	1.20% 1.00%	414,284	414,284		414,284
1436	Various Storm Water Sewer Improvements	6/28/12	6/28/2012 6/26/2013	6/27/2013 6/25/2014	1.20% 1.00%	114,000	114,000		114,000
1438	Various Improvements - Twin Boro Field	6/28/12	6/28/2012 6/26/2013	6/27/2013 6/25/2014	1.20% 1.00%	1,139,525	1,139,525	1,139,525	1,139,525
1447	Installation of New Walking Path	6/26/13	6/26/2013	6/25/2014	1.00%		152,000		152,000
1448	Improvements to DePew Street	6/26/13	6/26/2013	6/25/2014	1.00%		142,850		142,850
1450	Acq. And Installation of Air Quality Equip.	6/26/13	6/26/2013	6/25/2014	1.00%		61,750		61,750
						\$ 4,025,000	\$ 4,680,000	\$ 4,025,000	\$ 4,680,000
						Renewals			
						Paid by Budget Appropriation			
						Excess Note Proceeds			
						Notes Issued			
						\$ 3,955,395	\$ 3,955,395	\$ 61,710	\$ 3,955,395
								7,895	
						724,605			
						\$ 4,680,000	\$ 4,680,000	\$ 4,025,000	\$ 4,680,000

BOROUGH OF DUMONT
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

2013 Authorizations												
Ord. No.	Improvement Description	Balance, December 31, 2012		Capital Imprvt. Fund	Funded By		Deferred Charges to Future Taxation		Cancelled by Resolution	Contracts Payable Cancelled	Balance, December 31, 2013	
		Funded	Unfunded		County Grant	Capital Surplus	Unfunded	Expended			Funded	Unfunded
1275	Unfunded Pension Liability		\$ 16,500								\$ 6,748	\$ 16,500
1292/1315	Repaving of Roads	\$ 6,748								\$ 150	4,300	
1299/1320	Various Improvements and Acquisitions	4,150										
1311/1354/	Various Park											
1365	Improvements											
1321	Acquisition of Street Sweeper	13,690								4,398	4,398	
1323	Reconstruction of Pershing Ave	23,555	142,105						\$ 165,660		13,690	
1349	2007 Road Program	102,036							102,036			
1353	Acquisition of a Fire Truck	11,393										
1363	Resurfacing of Howard Street	145,706							145,706		11,393	
1364	Various Improvements	18,163									28,938	
1380	Park Improvements	232,594							18,163			
1393	Various General Improvements		212,226							26,410	259,004	
1400	Reconstruction of Short Street	33,254							20,801			191,425
1401	Reconstruction of Bussell Court	75,793								31,008	64,262	
1409	Library and Sr. Ctr. Handicap Access		1,187							57,670	133,463	
1416	Imprvs. To Veteran's Memorial Park and Other Parks and Fields											1,187
1421	Various Capital Improvements	101,003	174,800						180,409			95,394
1431	DPW Garage Site Improvements		148,958						137,939			11,019
1432	Phase III Storm Sewer Improvements		10,712							24,186		34,898
1434	Various Capital Improvements									4,680		4,680
1436	Roosevelt Ave Flood Project		267,791						21,807			245,984
1438	Twin Boro Field Remediation		98,774						2,838			95,936
1447	Installation of New Walking Path		17,383						1,014			16,369
1448	Improvements to DePew Street		140,051						140,051			303
1450-	Acq. And Installation of Air Quality Equip.		85,087						84,784			8,177
1456	Improvements to DePew Street Phase II		61,750						56,423			667
1460	Various Capital Improvements	2,850		\$ 26,937				155,000	154,333			80,764
1464	Various Park Improvements					\$ 112,561		557,690	483,863			176,000
1465	Library Window and Exterior Restoration			9,000				79,342	79,342		33,219	7,500
1466	Stormwater System Improvements Phase II			10,000				176,000	1,500		7,500	112,424
1467	Road Resurfacing & Repairs to Curbs/Sidewalks						\$ 323,292	195,000	92,576		316,292	
		\$ 770,935	\$ 1,377,324	\$ 45,937	\$ 1,063,690	\$ 112,561	\$ 323,292	\$ 1,482,843	\$ -413,402	\$ 177,440	\$ 883,207	\$ 1,091,727
		Cash Disbursed										
		Contracts Payable										
</												

**BOROUGH OF DUMONT
STATEMENT OF CONTRACTS PAYABLE**

Balance, December 31, 2012		\$ 2,247,247
Increased by:		
Charges to Improvement Authorizations		<u>431,238</u>
		2,678,485
Decreased by:		
Payments	\$ 2,069,807	
Cancellations	<u>177,440</u>	
		<u>2,247,247</u>
Balance, December 31, 2013		<u>\$ 431,238</u>

EXHIBIT C-16

STATEMENT OF GREEN TRUST FUND LOAN PAYABLE

Balance, December 31, 2012	\$ 165,048
Decreased by:	
2013 Budget Appropriation	<u>9,181</u>
Balance, December 31, 2013	<u>\$ 155,867</u>

EXHIBIT C-17

**STATEMENT OF ENVIRONMENTAL INFRASTRUCTURE
TRUST LOAN PAYABLE**

Balance, December 31, 2012	\$ 6,174,076
Decreased by:	
2013 Budget Appropriation	<u>342,383</u>
Balance, December 31, 2013	<u>\$ 5,831,693</u>

EXHIBIT C-18

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2012	\$ 36,600
Increased by:	
Current Fund Budget Appropriation	<u>55,000</u>
	91,600
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>45,937</u>
Balance, December 31, 2013	<u>\$ 45,663</u>

BOROUGH OF DUMONT
STATEMENT OF RESERVE FOR PRELIMINARY COSTS-
BOROUGH HALL NEEDS ASSESSMENT

Balance, December 31, 2012	\$ 25,000
Decreased by:	
Cash Disbursements	<u>25,000</u>
Balance, December 31, 2013	<u>\$ -</u>

EXHIBIT C-20

STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance, December 31, 2012	2013 Improvement Authorizations	Bond Anticipation Notes Issued	Grant Proceeds	Balance, December 31, 2013
1250	Impvts of Various Parks and Acq. Of Equip	\$ 4,908				\$ 4,908
1275	Refund Unfunded Pension Liab	17,000				17,000
1375	Sewer System Improvements	385,000		\$ 368,005		16,995
1407	Acq. Of Easements and Prop Relating to Storm Water	285,000				285,000
1438	Twin Boro Field Remediation	475				475
1447	Installation of New Walking Path	152,000		152,000		-
1448	Improvements to DePew Street	142,850		142,850		-
1450	Acq. And Installation of Air Quality Equip.	61,750		61,750		-
1456	Improvements to DePew Street Phase II		\$ 155,000		\$ 82,211	72,789
1460	Various Capital Improvements		537,690			537,690
1465	Library Window and Exterior Renovation		176,000			176,000
1466	Stormwater System Improvements Phase II	-	195,000	-	-	195,000
		<u>\$ 1,048,983</u>	<u>\$ 1,063,690</u>	<u>\$ 724,605</u>	<u>\$ 82,211</u>	<u>\$ 1,305,857</u>

PUBLIC ASSISTANCE FUND

BOROUGH OF DUMONT
STATEMENT OF PUBLIC ASSISTANCE CASH - TREASURER

Balance, December 31, 2012		\$	10,251
Increased by:			
Donations			<u>608</u>
			10,859
Decreased by:			
Expenditures	\$	952	
Payment to Current Fund		<u>1</u>	
			<u>953</u>
Balance, December 31, 2013		\$	<u>9,906</u>

EXHIBIT D-2

STATEMENT OF RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES

Balance, December 31, 2012		\$	10,250
Increased by:			
Revenues			<u>608</u>
			10,858
Decreased by:			
Expenditures			<u>952</u>
Balance, December 31, 2013		\$	<u>9,906</u>

**BOROUGH OF DUMONT
STATEMENT OF PUBLIC ASSISTANCE REVENUES**

Revenues	
Donations	\$ <u>608</u>
 Total Revenues/Receipts	 \$ <u><u>608</u></u>

EXHIBIT D-4

STATEMENT OF PUBLIC ASSISTANCE EXPENDITURES

Expenditures:	
Current Year Assistance	
Non-Reimbursable Expenditures	\$ 952
Payments to Current Fund	<u>1</u>
 Total Expenditures/Disbursements	 \$ <u><u>953</u></u>

EXHIBIT D-5

STATEMENT OF DUE TO CURRENT FUND

Balance, December 31, 2012	\$ 1
Decreased by:	
Payment to Current Fund	<u>1</u>
 Balance, December 31, 2013	 \$ <u><u>-</u></u>

**BOROUGH OF DUMONT
BERGEN COUNTY, NEW JERSEY**

**PART II
GOVERNMENT AUDITING STANDARDS
AND
SINGLE AUDIT
YEAR ENDED DECEMBER 31, 2013**



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
EDWARD N. KERE, CPA
LORI T. MANUKIAN, CPA, PSA
MARK SACO, CPA

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Dumont
Dumont, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Dumont, as of and for the year ended December 31, 2013, and the related notes to the financial statements, and have issued our report thereon dated May 6, 2014. Our report on the financial statements – regulatory basis indicated that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough of Dumont's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough of Dumont's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Dumont's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Borough's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

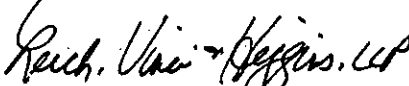
Compliance and Other Matters


As part of obtaining reasonable assurance about whether the Borough of Dumont's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

However, we noted certain matters that we reported to management of the Borough of Dumont in Part III of this report of audit entitled; "Letter of Comments and Recommendations"

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Dumont's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Dumont's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants


Gary J. Vinci
Registered Municipal Accountant
RMA Number CR00411

Fair Lawn, New Jersey
May 6, 2014



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
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**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 04-04**

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Dumont
Dumont, New Jersey

Report on Compliance for Each Major State Program

We have audited the Borough of Dumont's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 04-04 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Dumont's major state programs for the year ended December 31, 2013. The Borough of Dumont's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of Dumont's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Dumont's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Borough of Dumont's compliance.

Opinion on Each Major State Program

In our opinion, the Borough of Dumont complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of the Borough of Dumont is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Dumont's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Dumont's internal control over compliance.


A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

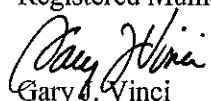
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 04-04

We have audited the financial statements - regulatory basis of the Borough of Dumont as of and for the year ended December 31, 2013, and the related notes to the financial statements and have issued our report thereon dated May 6, 2014, which contained a modified opinion on those financial statements because they were not prepared and presented in accordance with accounting principles generally accepted in the United States of America and also contained an modified opinion on those financial statements prepared and presented in accordance with the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 04-04 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.


LERCH, VINCI & HIGGINS, LLP
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Gary A. Vinci
Registered Municipal Accountant
RMA Number CR00411

Fair Lawn, New Jersey
May 6, 2014

BOROUGH OF DUMONT
SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

<u>Federal Program</u>	<u>CFDA Number</u>	<u>Grant Receipts</u>	<u>Grant Award</u>	<u>Balance, January 1, 2013</u>	<u>Revenue</u>	<u>Expended</u>	<u>Adjustments</u>	<u>Cancelled</u>	<u>Balance, December 31, 2013</u>	<u>Cumulative Expenditures</u>
Community Development Block Grant: Improvements to Veteran's Plaza	14.218	\$ 91,200	\$ (237)					\$ 237	\$ -	\$ 38,273
Department of Transportation Improvements to Depew Street, Phase I	20.205	82,211	142,850		\$ 82,211	\$ 124,197			(41,986)	124,197
Improvements to Depew Street, Phase II	20.205	90,151	150,000		90,151	127,638			(37,487)	127,638
Department of Environmental Protection Green Communities Grant (Consolidated Forest Management)	10.664		3,000	3,000			\$ 1,500		4,500	*
Department of Homeland Security Federal Emergency Management Agency Federal Emergency Management Agency	97.036 97.036	226,558	65,864	1,793	226,558	226,558 1,793			-	226,558 65,864
				\$ 4,556	\$ 398,920	\$ 480,186	\$ 1,500	\$ 237	\$ (74,973)	

This schedule is not subject to a single audit in accordance with OMB Circular A-133.

* Not Available

BOROUGH OF DUMONT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2013

<u>State Grant Program</u>	<u>Account Number</u>	<u>Grant Year</u>	<u>Grant Receipts</u>	<u>Balance, January 1, 2013</u>	<u>Revenue</u>	<u>Expended</u>	<u>Balance, December 31, 2013</u>	<u>Cumulative Expenditures</u>
Division of Criminal Justice								
Body Armor	1020-718-066-1020-001-YCJS-6120	2013	\$ 4,267	\$ 5,581	\$ 4,267	\$	\$ 4,267	
Body Armor	1020-718-066-1020-001-YCJS-6120	2012				\$ 4,956	625	\$ 4,956
Body Armor	1020-718-066-1020-001-YCJS-6120	2011		3,397			3,397	*
Body Armor	1020-718-066-1020-001-YCJS-6120	2010		563			563	*
Department of Law and Public Safety								
NJOEM SLAHEOP Grant	1110-448-031020-22	2004		18			18	*
Department of Environmental Protection								
Clean Communities Program	4900-765-178910-60	2013	27,794		27,794		27,794	
Clean Communities Program	4900-765-178910-60	2012		23,673			23,673	
Clean Communities Program	4900-765-178910-60	2011		22,756		2,025	20,731	3,337
Clean Communities Program	4900-765-178910-60	2010		21,633		14,289	7,344	*
State Recycling Fund	*	2013	22,253		22,253		22,253	
State Recycling Fund	*	2012		22,389		4,558	17,831	4,558
State Recycling Fund	*	2011		15,465			15,465	*
State Recycling Fund	*	2009		17,715			17,715	*
State Recycling Fund	*	2008		7,588			7,588	*
State Recycling Fund	*	2006		7,331		2,866	4,465	*
State Recycling Fund	*	2007		4,940		4,940		*
Stormwater Management Grant	*	2008		2,247			2,247	*
Stormwater Management Grant	*	2007		3,007			3,007	*
Stormwater Management Grant	*	2005		6,918		1,577	5,341	*
Water Resources Planning - Wastewater	4860-150-093050-60	2010	1,812,403		1,812,403	1,812,403		2,814,363
Administrative Offices of the Courts								
Alcohol Education and Rehabilitation	9735-760-060000-60	2013	475		475		475	
Alcohol Education and Rehabilitation	9735-760-060000-60	2012		270			270	
Alcohol Education and Rehabilitation	9735-760-060000-60	2007		395			395	*
Alcohol Education and Rehabilitation	9735-760-060000-60	2006		205			205	*
Alcohol Education and Rehabilitation	9735-760-060000-60	2005		250			250	*
Alcohol Education and Rehabilitation	9735-760-060000-60	2002		434			434	*
Alcohol Education and Rehabilitation	9735-760-060000-60	1998		575			575	*
Domestic Violence Training	*	2008		500			500	*
Domestic Violence Training	*	2007		3,500			3,500	*
Domestic Violence Training	*	2005		1,315			1,315	*
Total State Financial Assistance			\$ 172,665	\$ 1,867,192	\$ 1,847,614	\$ 192,243		

* Not Available

BOROUGH OF DUMONT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2013

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal awards and state financial assistance programs of the Borough of Dumont. The Borough is defined in Note 1(A) to the Borough's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the regulatory basis of accounting as prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1 to the Borough's financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's financial statements. Financial assistance revenues are reported in the Borough's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 226,558	\$ 54,789	\$ 281,347
General Capital Fund	<u>172,362</u>	<u>1,812,403</u>	<u>1,984,765</u>
Total Financial Awards	<u>\$ 398,920</u>	<u>\$ 1,867,192</u>	<u>\$ 2,266,112</u>

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the Borough's fiscal year and grant program year.

BOROUGH OF DUMONT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2013

NOTE 5 STATE LOANS OUTSTANDING

The Borough's state loans outstanding at December 31, 2013, which are not required to be reported on the schedule of expenditures of state financial assistance, are as follows:

Loan Program

Green Trust Fund	
Multi Park Improvements	\$ 155,867
NJ Environmental Infrastructure Trust	
Trust Loan - 2007	1,355,000
Fund Loan - 2007	1,173,836
Trust Loan - 2010	860,000
Fund Loan - 2010	<u>2,442,857</u>
	<u>\$ 5,987,560</u>

**BOROUGH OF DUMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Part I – Summary of Auditor's Results

Financial Statements

Type of auditors' report issued on financial statements

Modified, Presentation of Unaudited LOSAP Fund

Internal control over financial reporting:

1) Material weakness(es) identified

_____ yes X no

2) Significant deficiency(ies) that are not
considered to be material weakness(es)?

_____ yes X none

Noncompliance material to the financial
statements noted?

_____ yes X no

Federal Awards Section

NOT APPLICABLE

State Awards Section

Dollar threshold used to distinguish type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? _____ yes X no

Type of auditors' report issued on compliance for major programs: Unmodified

Internal Control over major programs:

1) Material weakness (es) identified? _____ yes X no

2) Significant deficiency(ies) identified that are not
considered to be material weaknesses? _____ yes X none reported

Any audit findings disclosed that are required to be reported
in accordance with N.J. OMB Circular Letter 04-04?

_____ yes X no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

4860-150-093050-60

NJ Department of Environmental Protection:

Wastewater Treatment Grant

**BOROUGH OF DUMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2013**

Part II – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

There are none.

BOROUGH OF DUMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2013

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB Circular 04-04.

CURRENT YEAR FEDERAL AWARDS

Not Applicable

CURRENT YEAR STATE AWARDS

There are none.

**BOROUGH OF DUMONT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 201**

This section identifies the status of prior-year findings related to the financial statements are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*.

STATUS OF PRIOR YEAR FINDINGS

Finding 2011-1

Our audit noted that there were capital project contracts for the field remediation and various storm/sewer improvements totaling \$600,105 which were not encumbered nor reported in the Borough's year end financial statements. In addition, there were open orders in the Borough's Improvement Authorization ledger totaling \$250,276 which were not valid commitments.

Current Status

Corrective action has been taken.

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BOROUGH OF DUMONT

BERGEN COUNTY

PART III

SUPPORTING DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2013

**BOROUGH OF DUMONT
SUPPORTING DATA**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
CURRENT FUND**

	<u>Year 2013</u>			<u>Year 2012</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 1,178,971	1.99 %		\$ 1,314,000	2.26 %
Miscellaneous - From Other Than Local					
Property Tax Levies	2,878,334	4.86		2,802,352	4.81
Collection of Delinquent Taxes and Tax Title Liens	557,666	0.94		525,752	0.90
Collection of Current Tax Levy	54,359,041	91.75		53,201,423	91.35
Other Credits	270,040	0.46		397,845	0.68
	<u>59,244,052</u>	<u>100.00</u> %		<u>58,241,372</u>	<u>100.00</u> %
EXPENDITURES					
Municipal Budget	19,728,820	34.08 %		19,640,649	34.41 %
County Taxes	4,408,036	7.61		4,080,449	7.15
Local District School Taxes	33,738,464	58.28		33,334,772	58.41
Other Expenditures	18,711	0.03		18,765	0.03
	<u>57,894,031</u>	<u>100.00</u> %		<u>57,074,635</u>	<u>100.00</u> %
Total Expenditures					
Less: Expenditures to be Raised by Future Revenue	<u>100,000</u>			<u>4,728</u>	
Total Adjusted Expenditures	<u>57,794,031</u>			<u>57,069,907</u>	
Excess in Revenue	1,450,021			1,171,465	
Fund Balance, January 1	<u>1,473,635</u>			<u>1,616,170</u>	
	2,923,656			2,787,635	
Less Utilization as Anticipated Revenue	<u>1,178,971</u>			<u>1,314,000</u>	
Fund Balance, December 31	<u>\$ 1,744,685</u>			<u>\$ 1,473,635</u>	

**BOROUGH OF DUMONT
SUPPORTING DATA**

Comparative Schedule Of Tax Rate Information

	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Tax Rate</u>	\$3.248	\$3.182	\$2.541
<u>Apportionment of Tax Rate</u>			
Municipal	.952	.928	.719
County	.261	.242	.213
Local School	1.997	1.972	1.575
Library	.038	.040	.034

Assessed Valuation

2013	\$1,689,590,654	
2012*		\$1,690,897,900
2011		\$2,090,990,103

* The Borough underwent a reassessment of real property which became effective January 1, 2012.

Comparison Of Tax Levies And Collection Currently

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2013	\$ 54,892,984	\$ 54,359,041	99.02%
2012	53,810,186	53,201,423	98.87%
2011	53,153,045	52,438,395	98.66%

**BOROUGH OF DUMONT
SUPPORTING DATA**

Delinquent Taxes And Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>December 31 Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Tax Title Lien</u>	<u>Total</u>	<u>Percentage of Tax Levy</u>
2013	\$ 503,103	\$ 5,013	\$ 508,116	0.93%
2012	570,874	4,331	575,205	1.07%
2011	528,428	3,663	532,091	1.00%

Property Acquired By Tax Title Lien Liquidation

No properties have been acquired in 2013 by foreclosure or deed, as a result of liquidation of tax title liens.

The value of property acquired by liquidation of tax title liens at December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2013	\$79,526
2012	79,526
2011	79,526

Comparative Schedule Of Fund Balances

	<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2013	\$1,744,585	\$1,200,000
	2012	1,473,635	1,178,971
	2011	1,616,170	1,314,000

The above fund balance amount utilized in budget of succeeding year represents the surplus anticipated in the 2014 introduced municipal budget.

**BOROUGH OF DUMONT
SUPPORTING DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Corporate Surety</u>
James J. Kelly	Mayor		
Rafael Riquelme	Councilman		
William Brophy	Councilman		
Matthew M. Carrick	Councilman		
Harry Stylianou	Councilman		
Matthew Hayes	Councilman		
Ellen Zamechansky	Councilwoman		
John Perkins	Administrator		
Susan Connelly	Borough Clerk		
Gregg Paster	Attorney		
Remington & Vernick Engineers, Inc.	Engineers		
Barbara Kozay	Tax Collector		
Donald Holdsworth	Magistrate		
Beryl Horbert	Court Administrator		
Glenda Hickey	Deputy Ct. Administrator		
James Anzevino	Tax Assessor		
Rosemarie Giotis	Chief Financial Officer		

The Bergen County Municipal Joint Insurance Fund and Hartford Fire Insurance Company provide a blanket position bond in the amount of \$1,000,000.

BOROUGH OF DUMONT

GENERAL COMMENTS

Prior Year Unresolved

Our audit of the Other Trust Fund revealed that escrow monies are not always refunded upon completion of project. It is recommended that the Borough review its procedures relating to developers escrow to ensure that the procedures comply with New Jersey Statutes.

Certain municipal departments ordered goods or materials prior to the issuance of a purchase order. It is recommended that the encumbrance system be enhanced to ensure that materials be ordered only after a purchase order has been executed.

Our audit noted that the Borough's fixed asset accounting records were not integrated with the Borough's financial accounting software. It is recommended that the Borough's fixed asset accounting records be integrated with the Borough's financial accounting software.

Our audit of the Police Department revealed that monies were not always turned over to Treasurer within forty-eight hours of receipt. It is recommended that all fees collected by the Police Department be deposited within forty-eight hours of receipt.

Current Year

Our audit of the General Capital Fund revealed that there remains uncollected grant receivable balances totaling approximately \$293,000 for projects which have been previously completed. It is recommended that action be taken to collect the outstanding General Capital Fund grant receivable balances or clear them of record.

Recreation deposits could not be audited for proper fee charged or timeliness of deposit due to lack of organization of the records provided. It is recommended that recreation deposits be supported by registration forms and a detailed listing by registrant for all monies collected.

Our audit noted that bids or quotes were not obtained for athletic field service and recreation uniforms, equipment, etc. It is recommended that the Borough comply with the Local Public Contracts Law regarding the solicitation of quotes or bids.

Our audit of payroll tax remittances revealed that the Borough is not verifying that the payroll service provider has made the federal withholding tax payments by the required due dates. It is recommended that the Borough verify on a monthly basis that the various federal and state taxes have been paid by the Borough's payroll service provider by the required due dates.

Contracts and Contracts Required To Be Advertised For NJS 40A:11-4

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$21,000 except by contract or agreement.

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

BOROUGH OF DUMONT

GENERAL COMMENTS

Contracts and Contracts Required To Be Advertised For NJS 40A:11-4 (Continued)

The minutes indicated that bids were received for the following items:

DPW Generator
West Shore Avenue Project
DePew Street – Phase I
DePew Street – Phase II
2013 High Lift 524K Wheel Loader
Resurfacing Hockey Rink
Fencing of Tennis Courts, Major League and Babe Ruth Fields
Resurfacing of Tennis Courts

The minutes indicate that resolutions were adopted and advertised, authorizing the awarding of contracts or agreements for "professional services" per N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Our examination of expenditures revealed instances where the accumulation of expenditures exceeded the bid threshold "for the performance of any work, or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

Collection Of Interest On Delinquent Taxes And Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the non-payment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body on January 2, 2013 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, N.J.S.A. 54:4-67 authorizes the Borough to fix a rate of interest to be charged for delinquent taxes; and

WHEREAS, N.J.S.A. 54:4-67, as amended by Section 29 of P.L. 1991, c. 75, authorizes the Borough to fix a penalty of 6% to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay the delinquency prior to the end of the calendar year.

WHEREAS, the Council has decided to charge the maximum interest and penalty allowed by law on delinquent taxes.

BOROUGH OF DUMONT

GENERAL COMMENTS

Collection Of Interest On Delinquent Taxes And Assessments (Continued)

RESOLVED, by the Council of the Borough of Dumont, as follows:

1. For the year 2013 the rate of interest for delinquent taxes and Borough charges shall be 8% per annum for the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 except that, for any quarter if the taxes are paid during the first ten (10) days following February 1st, May 1st, August 1st, and November 1st there shall be no interest. If the office of the Tax Collector is closed on the 10th day of February, May, August or November this shall be extended to include the first business day thereafter.

2. For the year 2013 any taxpayer with a tax delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year shall be charged a penalty of 6% of the amount of the delinquency.

3. The Tax Collector is hereby authorized to cancel any overpayment of taxes or tax delinquency which is less than \$10.00.

Delinquent Taxes And Tax Title Liens

A tax sale was held on March 28, 2013.

Tax title liens receivable outstanding on December 31 of the last three years were insignificant.

**BOROUGH OF DUMONT
SUPPORTING DATA**

RECOMMENDATIONS

It is recommended that:

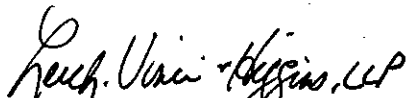
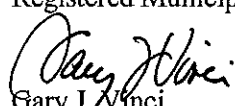
- * 1. The Borough review its procedures relating to developers escrow to ensure that the procedures comply with New Jersey Statutes.
- * 2. The encumbrance system be enhanced to ensure that materials be ordered only after a purchase order has been executed.
- * 3. All fees collected by the Police Department be deposited within forty-eight hours of receipt.
- * 4. The Borough's fixed asset accounting records be integrated with the Borough's financial accounting software.
- 5. Action be taken to collect the outstanding General Capital Fund grant receivable balances or clear them of record.
- 6. Recreation deposits be supported by registration forms and a detailed listing by registrant for all monies collected.
- 7. The Borough comply with the Local Public Contacts Law regarding the solicitation of quotes or bids.
- 8. The Borough verify on a monthly basis that the various federal and state taxes have been paid by the Borough's payroll service provider by the required due dates.

Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations and corrective action was taken on all, except for those recommendations denoted with an asterisk (*).

The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments and recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants

Gary J. Vinci
Certified Public Accountant
RMA Number CR00411